

THE VIRGINIA BOARD OF ACCOUNTANCY
DRAFT
MEETING MINUTES

The Virginia Board of Accountancy (Board) met on Wednesday, June 27, 2007, in the Franklin Room of the Richmond Marriott West, 4240 Dominion Boulevard, Glen Allen, Virginia 23060.

The following Board members present for the entire meeting were:

Stephen D. Holton, CPA, Chairman
Lawrence D. Samuel, CPA, Vice Chairman
O. Whitfield Broome, Ph.D., CPA
Regina P. Brayboy, MPA
Dian T. Calderone, MTX, CPA
Tyrone E. Dickerson, CPA

The following Board member absent for the entire meeting was:

William E. Hunt, CPA

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director/Agency Head
Katherine Idrissi, Special Assistant to the Executive Director
Mark D'Amato, Board Administrator

The Board staff member present for a portion of the meeting was:

Jean Grant, Enforcement Manager/Investigator

Also in attendance for the meeting was:

Donald R. Ferguson, Senior Assistant Attorney General

In attendance for a portion of the meeting were:

Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants
Stephanie Peters, President and CEO, Virginia Society of Certified Public Accountants
Emily Walker, Grassroots & Regulatory Specialist, Virginia Society of Certified Public Accountants

Chairman Holton called the meeting to order at 10:08 a.m.

Call to Order

Chairman Holton determined that a quorum was present.

**Determination of
Quorum**

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board by unanimous vote approved the agenda as amended. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

Approval of Agenda

The Board’s Final Agenda was as follows:

Call to Order
Determination of Quorum
Approval of Agenda
Public Comment Period

A. Consent Agenda

B. Peer Review Extension – Emily Walker, Regulatory Specialist,
Virginia Society of Certified Public Accountants

C. Consent Order: File Number 2005-D13 (KPMG)
(Calderone & Samuel)

D. Board Reports:

1. Legislative/Regulatory:
Stephen D. Holton, CPA, Board Chairman
 - a. Trust Fund Account Policy
 - b. Regulatory Review Plan
 - c. Accreditation
 - d. Retreat Report – Work Plan

Recess for Board Lunch

Reconvene

D. Board Reports (cont’d):

2. Enforcement
Dian T. Calderone, MTX, CPA, Committee Chairman
 - a. Final Board Orders:

- (1) File Number 2006-U16 (Jacquelyn Parham)
(Calderone & Dickerson)
- (2) File Number 2006-D14 (Michael Reed)
(Calderone & Dickerson)

b. Consent Orders:

- (1) File Number 2006-D07 (David Bruins)
(Calderone & Dickerson)
- (2) File Number 2006-U01 (Stuart E. Daniel)
(Calderone & Dickerson)

E. Performance Evaluation Tool/Personnel Matters – Closed Session

F. NASBA Annual Meeting (October 28-31, 2007)

G. Future Meeting Dates

H. Election of Officers – Presentation of Slate
Stephen D. Holton, CPA, Board Chairman

I. Passing of the Gavel

Sign Conflict of Interests Forms
Complete Travel Expense Vouchers

Adjournment

With no members of the public having comments, Chairman Holton moved to the next item of business.

**Public Comment
Period**

Upon a motion by Ms. Calderone, and seconded by Mr. Dickerson, the Board by unanimous vote approved the consent agenda, which included the minutes as amended from the Board meeting on May 2, 2007. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

A. Consent Agenda

Ms. Walker presented a request from the VSCPA that the Board consider implementing a policy whereby CPA firms requesting an extension of their peer review beyond 90 days from the firms’ original due date must first obtain authorization from the Board in order for the request to be granted by the VSCPA.

**B. Peer Review
Extension – Emily
Walker, Regulatory
Specialist, Virginia
Society of Certified
Public Accountants**

The Board agreed to review the VSCPA’s peer review extension

request during its regulatory review process.

Ms. Walker then reviewed the proposed revisions to the AICPA standards for performing and reporting on peer reviews.

Chairman Holton asked Ms. Peters to discuss the Mobility Summit that the VSCPA hosted on June 6th for CPA societies and boards of accountancy from states around Virginia. The states represented at the summit included Virginia, South Carolina, Maryland, North Carolina, West Virginia, Washington, D.C., and New Jersey. She promised to provide the members with a “tool kit” prepared for the summit attendees. Ms. Feldman recommended that Board members contact Maryland Board of Accountancy members to discuss mobility.

Chairman Holton informed the other members about their task. He requested that the members go into executive session in order to discuss open disciplinary proceedings.

Due to their involvement with this case, Ms. Calderone and Mr. Samuel left the room and did not participate in the discussion nor vote.

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members will be in attendance to reasonably aid the consideration of the topic: Mr. Ferguson, Ms. Feldman, Ms. Idrissi, Ms. Grant and Mr. D’Amato. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Dickerson. Ms. Calderone and Mr. Samuel were not present and did not vote.

This motion is made with respect to the matter identified as agenda item: C. Consent Order: File Number 2005-D13.

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting.

C. Consent Order:
File Number 2005-
D13 (KPMG)
(Calderone &
Samuel)

Begin Closed
Meeting

End Closed Meeting

The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Dickerson. Ms. Calderone and Mr. Samuel were not present and did not vote.

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – No Vote
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – No Vote
Tyrone E. Dickerson, CPA – Aye
William E. Hunt, CPA – Not Present

VOTE

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Ms. Calderone, Mr. Samuel and Mr. Hunt.

ABSENT DURING MEETING: Mr. Hunt.

Upon a motion by Mr. Holton, and seconded by Mr. Dickerson, the Board unanimously agreed to refer the Consent Order (File Number 2005-D13) back to the Enforcement committee handling it for further negotiation. The members voting “**AYE**” were Mr. Holton, Dr. Broome, Ms. Brayboy, and Mr. Dickerson. Ms. Calderone and Mr. Samuel were not present and did not vote.

C. Consent Order:
File Number 2005-
D13 (KPMG)
(Calderone &
Samuel)

The members agreed to move up this item in the agenda.

G. Future Meeting
Dates

The Board confirmed the date of its next meeting: (1) Tuesday, July 31, which will be held at the Richmond Marriott West. The meeting is scheduled to begin at 10:00 a.m. Other meeting dates will be set at that meeting.

The Board members reviewed the draft Trust Account Policy. The Board then requested Ms. Calderone to prepare a revised draft of Trust Account Policy and rationale statement for this policy. These documents would be sent to the Board members to be dealt with at the next Board meeting.

D. Board Reports:
1. Legislative/
Regulatory –
Stephen D. Holton,
CPA, Board
Chairman
a. Trust Fund
Account Policy

The members agreed to move up this item in the agenda.

c. Accreditation

Dr. Broome reviewed his proposal for a new policy on recognizing accrediting agencies, other than the six major regional agencies identified in the accountancy statute. The policy would be to determine if an accrediting agency is recognized by the Council on Higher Education Accreditation (CHEA); if so, then the Board would request the accredited institution to send a copy of most recent report on accreditation of the institution to the Board.

Upon a motion by Ms. Calderone, and seconded by Mr. Samuel, the Board by unanimous vote approved the new policy on recognizing accrediting agencies. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

Chairman Holton and Vice Chairman Samuel led the discussion about the next steps in the regulatory review process. They noted having received confirmation that David Smith, Deputy Secretary of Commerce and Trade, and Richard Brown, the Director of the Department of Planning and Budget, would be members of the proposed task force being formed to address regulatory review. The members then reviewed a number of other possible candidates to add to the task force. The Board agreed that the task force would include six to eight people, and would be supplemented with input provided by other individuals with a broad range of experience—a process that worked well with revising the statutes.

b. Regulatory Review Plan

The members reviewed the Board Retreat Report and Work Plan (FY08). The Board requested the Full Work Plan report be presented to the Chairman and Vice Chairman, and the Summary Work Plan report be presented to the Board members in the future.

d. Retreat Report – Work Plan

Ms. Feldman informed the members about steps being taken to communicate with educators, students, those who want to be licensed, and consumers of services provided by CPAs. She noted that the staff was making an aggressive effort to increase communication.

The Board recessed from 12:00 p.m. to 1:00 p.m. for lunch.

Recess for Board Lunch

Ms. Calderone discussed the topic of unlicensed activity with the other members.

D. Board Reports (con't):
2. Enforcement – Dian T. Calderone CPA, Committee Chairman

Ms. Grant informed the Board about the process of collecting fines, and how this process could be handled administratively by Board staff.

a. Final Board Orders:
(1) File Number 2006-U16 (Jacquelyn Parham) (Calderone & Dickerson)
(2) File Number 2006-D14 (Michael Reed)

Due to their involvement with these cases, Ms. Calderone and Mr. Dickerson left the room and did not participate in the ensuing discussion or vote.

Chairman Holton informed the other members about their task. He requested that the Board go into closed meeting to review the open disciplinary cases—Final Board Orders and Consent Orders—and then, in open meeting, the Board would make its decision in each case.

**(Calderone &
Dickerson)**

b. Consent Orders:

**(1) File Number
2006-D07 (David
Bruins)**

**(Calderone &
Dickerson)**

**(2) File Number
2006-U01 (Stuart E.
Daniel)**

**(Calderone &
Dickerson)**

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members will be in attendance to reasonably aid the consideration of the topic: Mr. Ferguson, Ms. Feldman, Ms. Idrissi, Ms. Grant and Mr. D'Amato. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome and Ms. Brayboy. Ms. Calderone and Mr. Dickerson were not present and did not vote.

**Begin Closed
Meeting**

This motion is made with respect to the matter identified as agenda item: D. Board Reports: 2. Enforcement: a. Final Board Orders: (1) File Number 2006-U16, (2) File Number 2006-D14); and b. Consent Orders: (1) File Number 2006-D07, (2) File Number 2006-U01.

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome and Ms. Brayboy. Ms. Calderone and Mr. Dickerson were not present and did not vote.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – No Vote
Tyrone E. Dickerson, CPA – No Vote
William E. Hunt, CPA – Not Present

VOTE

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Ms. Calderone, Mr. Dickerson and Mr. Hunt.

ABSENT DURING MEETING: Mr. Hunt.

In the matter of **File Number 2006-D07 (David Bruins)**, Mr. Bruins was not present, nor was an attorney present to represent him.

D. Board Reports
(con't):
2. Enforcement –

Upon a motion by Dr. Broome, and seconded by Mr. Samuel, the Board by majority vote approved the Consent Order Number DC04-2007, whereby, based on the Findings of Fact and Conclusions of Law and the consent of Mr. Bruins, he shall pay a monetary penalty of \$500 within ninety (90) days of the entry date of the Order; and satisfactorily complete an anger management class approved by the Board, submitting proof of the satisfactory completion of the class no later than December 31, 2007, by providing the Board with an original signature from the class facilitator. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome and Ms. Brayboy. Ms. Calderone and Mr. Dickerson were not present and did not vote.

In the matter of **File Number 2006-U01 (Stuart E. Daniel)**, Mr. Daniel was not present, nor was an attorney present to represent him.

Upon a motion by Ms. Brayboy, and seconded by Mr. Samuel, the Board by majority vote approved the Consent Order Number UCO4-2007, whereby, based on the Findings of Fact and Conclusions of Law and the consent of Mr. Daniel, he shall pay a monetary penalty of two thousand dollars (\$2,000) for representing himself as a CPA on the website of Ameriprise and on his personal biography, in Virginia, to be paid within ninety (90) days of the entry date of the Order. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome and Ms. Brayboy. Ms. Calderone and Mr. Dickerson were not present and did not vote.

In the matter of **File Number 2006-U16 (Jacquelyn Parham)**, the Board reviewed the IFF Report with the recommendations of the Presiding Officer, which included its findings of fact, conclusions of law and actions. Ms. Parham was not present, nor was an attorney present to represent her.

Upon a motion by Ms. Brayboy, and seconded by Mr. Samuel, the Board by majority vote approved the Presiding Officer’s recommendations: (1) Ms. Parham shall not practice as a CPA in the Commonwealth of Virginia until the Virginia Board of Accountancy has granted a CPA license to Ms. Parham to practice as a CPA; and (2) Ms. Parham shall pay a monetary penalty of two thousand dollars (\$2,000) within ninety (90) days of the entry date of the Order. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome and Ms. Brayboy. Ms. Calderone and Mr. Dickerson were not present and did not vote.

In the matter of **File Number 2006-D14 (Michael Reed)**, the Board

Dian T. Calderone
CPA, Committee
Chairman
a. Final Board
Orders:
(1) File Number
2006-U16
(Jacquelyn Parham)
(Calderone &
Dickerson)
(2) File Number
2006-D14 (Michael
Reed)
(Calderone &
Dickerson)
b. Consent Orders:
(1) File Number
2006-D07 (David
Bruins)
(Calderone &
Dickerson)
(2) File Number
2006-U01 (Stuart E.
Daniel)
(Calderone &
Dickerson)

reviewed the IFF Report with the recommendations of the Presiding Officer, which included its findings of fact, conclusions of law and actions. Mr. Reed was not present, nor was an attorney present to represent him.

Upon a motion by Ms. Brayboy, and seconded by Dr. Broome, the Board by majority vote amended and approved the Presiding Officer's recommendations: (1) Mr. Reed's privilege of practicing as a CPA under substantial equivalency in Virginia shall be revoked; and (2) Mr. Reed shall pay a monetary penalty of \$500 within ninety (90) days of the entry date of the Order. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome and Ms. Brayboy. Ms. Calderone and Mr. Dickerson were not present and did not vote.

Chairman Holton requested that the members go into a closed meeting in order to discuss personnel matters.

**E. Performance
Evaluation Tool –
Closed Session**

Upon a motion by Mr. Samuel, and seconded by Ms. Calderone, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of consultation and/or briefings by staff members pertaining to personnel matters within the jurisdiction of the Board as permitted by § 2.2-3711.A.1 of the *Code of Virginia*. The following non-members will be in attendance to reasonably aid the consideration of the topic: Mr. Ferguson and Ms. Feldman. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

**Begin Closed
Meeting**

This motion is made with respect to the matter identified as agenda item: E. Performance Evaluation Tool.

Upon a motion by Mr. Samuel, and seconded by Ms. Calderone, the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.1 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting "AYE" were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

End Closed Meeting

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the

Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

CALL FOR VOTE:

Stephen D. Holton, CPA – Aye
Lawrence D. Samuel, CPA – Aye
O. Whitfield Broome, Ph.D., CPA – Aye
Regina P. Brayboy, MPA – Aye
Dian T. Calderone, MTX, CPA – Aye
Tyrone E. Dickerson, CPA – Aye
William E. Hunt, CPA – Not Present

VOTE

AYES: Six (6)

NAYS: None.

ABSENT DURING VOTE: Mr. Hunt.

ABSENT DURING MEETING: Mr. Hunt.

The Board stated that Ms. Feldman will revise the performance evaluation tool to include goals for FY08 and to review the completed tool with the Board Chairman by July 31.

**E. Performance
Evaluation Tool –
Closed Session**

(cont'd)

The Board recessed from 2:52 p.m. to 2:55 p.m.

Board Recess

Dr. Broome gave a brief report on his participation in the VSCPA Leadership Institute.

F. NASBA Annual Meeting (October 28-31, 2007)

Vice Chairman Samuel gave a brief report on the NASBA Eastern Regional meeting held in Williamsburg.

The Board then discussed the upcoming NASBA Annual meeting. The members requested Ms. Feldman to seek approval for all members to be able to attend the meeting in October.

Chairman Holton presented a slate of officers—Mr. Samuel for Chairman, and Ms. Calderone for Vice Chairman—to serve a term from July 1, 2007 to June 30, 2008.

H. Election of Officers – Presentation of Slate – Stephen D. Holton, CPA, Board Chairman

Upon a motion by Mr. Dickerson, and seconded by Dr. Broome, the Board by unanimous vote closed the nominations and approved the slate of officers as presented. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

Chairman Holton passed the gavel off to Vice-Chairman Samuel, who becomes Chairman on July 1, 2007. Mr. Samuel then presented to Mr. Holton a plaque in recognition of his service as Vice Chairman and Chairman of the Board of Accountancy on behalf of the Board and the citizens of the Commonwealth.

I. Passing of the Gavel

Chairman Holton asked the members to complete and sign their conflict of interests forms.

Conflict of Interests Forms

Chairman Holton asked the members to complete and sign their travel expense vouchers.

Travel Expense Vouchers

With no further business coming before the Board, upon a motion by **Adjournment** Dr. Broome, and seconded by Mr. Dickerson, the meeting was adjourned by unanimous vote at 3:15 p.m. The members voting “**AYE**” were Mr. Holton, Mr. Samuel, Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

APPROVED:

Lawrence D. Samuel, CPA, Chairman

COPY TESTE:

Nancy Taylor Feldman, Executive Director/Agency Head